

## The State Health Benefits Plan Design Committee – Update Oct. 5, 2011

The State Health Benefits Plan Design Committee - the PDC - met today and with some blood shed, a walk out from someone on the management side, and a lot of frustration expressed at Yours Truly for having the temerity to ask questions and try to fix language, we did reach an agreement on some healthcare plans and the EGWP.

The agreement protects all of the current health plans - Direct 10, Direct 15, the Aetna and Cigna Plans.

The agreement also protects the recent State worker arbitration award on the Rx. The agreement limits the increase in the ratio for Parent/Child coverage from 1.4X single to 1.48X single coverage (as opposed to the 1.73 AON was seeking) and it lowers the member-spouse ratio from 2.25X single to 2X single.

(The issue regarding the Parent/Child ratio is very tricky because the PDC DOES NOT have the setting of the tiers under its jurisdiction. But we forced the issue and made the rest of the Agreement contingent upon working this out.)

The agreement also includes some new plans that our members can choose from.

There will be a Plan A that slightly ups the prescription drug co pays and increases the Emergency Room co pay to \$75. This Plan is almost identical to Direct 15 and will cost only a few dollars less than Direct 15. There is no particularly good reason for a member to choose it or not choose it.

There will be a Plan B that ups the co-pays for doctors visits to \$20 for primary care and \$30 for a specialist, it ups the prescription a bit, and it increases Out of Network deductible from \$400 to \$800 and increases maximum Out of Pocket for Out of Network from \$2000 to \$5000. This plan will probably cost 10% less than the Direct plans and members should be carefully advised before choosing this plan. It is not a bad plan, but it could have consequences if you need Out of Network care.

There are 2 High Deductible plans, one of which includes a \$300 Healthcare Savings Account. **More information will be coming, but these are bad plans and we should recommend to our members that they don't go near them.** I believe if we do our job explaining these plans to our members, they will collapse of their own weight.

**EVEN THOUGH WE REACHED AGREEMENT ON THESE THINGS - WE SHOULD EXPECT THE MANAGEMENT SIDE TO COME BACK NEXT YEAR AND TRY TO GET WHAT THEY DIDN'T GET THIS YEAR.**

I am going to prepare a summary and I hope to work with our CWA healthcare committee to prepare a "kit" for our members that goes thru the new healthcare legislation and explains the health plans and helps members to understand what considerations should be made if they are choosing a different healthcare plan.

That will take a little bit longer.

Thanks to everyone for your patience on this. This is been very a very difficult process and CWA is without question the most aggressive player at this broken not-a-bargaining table.

Special thanks to the healthcare committee - Adam, Ken, Patrick - for advice and sanity. Also special thanks to Dudley Burdge, our representative at the SHB Commission.

I'll keep you posted with more information as soon as I can get it to you.

Hetty Rosenstein  
New Jersey Director  
Communication Workers of America